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Towards global partnerships

Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector

Report of the Secretary-General**

Summary

The United Nations has increasingly engaged the private sector as a partner in helping to achieve the goals of the Organization, particularly the Millennium Development Goals. Over the past decade, private sector partnerships have become a common and increasingly sophisticated mechanism across the system for addressing priority challenges. In response to resolutions of the General Assembly, most recently resolution 62/211, steady efforts have been made — across the system and at the level of agencies, funds and programmes — to build a robust approach for engaging in effective, sustainable and transparent partnerships. The revised Guidelines on Cooperation between the United Nations and the Business Community, now called the Guidelines on Cooperation between the United Nations and the Private Sector, and the new UN and Business website are key milestones.

The United Nations is well-positioned to bring private sector engagement to the next level and significantly enhance its contribution to the goals of the Organization. To this end, efforts are needed to develop a more strategic and coherent approach to partner selection and engagement, integrate small companies and those from low-income countries, align global partnerships with country development agendas, build an enabling framework for partnerships, build capacity of staff, enhance mechanisms to share best practices and improve evaluation and impact assessment. Caretaking of the United Nations-business relationship is required to ensure that appropriate support and focus are provided to implement these recommendations, undertake a new process to continuously assess and improve the value proposition of partnerships and ensure maximum alignment with the priority goals set by Member States. Continued and increased engagement by Governments would enable the Organization to better define strategic goals with the private sector.

* A/64/150.

** The present report was submitted late due to additional technical and substantive consultations.

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I. Introduction

1. The present report is submitted in compliance with General Assembly resolution 62/211, in which the Assembly requested the Secretary-General to submit a report at its sixty-fourth session on the implementation of the proposed modalities for enhanced cooperation between the United Nations and all relevant partners, in particular the private sector.

2. Four previous reports of the Secretary-General have dealt with cooperation between the United Nations and relevant partners (A/56/323, A/58/227, A/60/214 and A/62/341). The present report builds on these reports and takes stock of recent partnership developments and trends in the relationship between the Organization and the private sector.[1]

3. In resolution 62/211, the General Assembly stressed that cooperation between the United Nations and the private sector could make concrete contributions to the realization of the internationally agreed goals, particularly the Millennium Development Goals. It called upon the international community to continue to promote multi-stakeholder approaches to addressing the challenges of poverty and development in the context of globalization, and encouraged the United Nations system to continue to develop a common and systematic approach to partnerships, which places greater emphasis on impact, transparency, accountability and sustainability.

4. Having passed the halfway point to the 2015 deadline for achieving the Millennium Development Goals, it is clear that, despite the progress made to date, the international community must make additional and strengthened efforts to reach these goals. With multiple crises challenging the world, the international community is now struggling with not only the financial crisis and the resulting economic crisis, but also soaring local food prices and the threat of climate change. Tackling these challenges requires an increased commitment by public entities, civil society and the private sector, thereby making cooperation more relevant than ever. The renewed call for values and principles in business in the wake of the financial and economic crisis has resulted in continued strong and growing private sector engagement in support of the goals of the United Nations.

5. There is significant evidence that the United Nations is continuing to strengthen system-wide engagement with the private sector and that the period of experimentation is in a closing stage. While the level and effectiveness of partnerships still vary greatly across the Organization, many agencies, funds and programmes have become more sophisticated in their partnership approach, including by undertaking more strategic development processes and building in impact assessment mechanisms. While fund-raising remains an important objective for working with the private sector, a growing number of partnerships are also mobilizing core business competencies and fostering private sector development. Overall, staff acceptance and support for partnerships as a means to help implement internationally agreed goals has increased.

[1] The present report draws on several sources: surveys of 16 Governments, 38 United Nations agencies, funds and programmes, and 17 businesses (conducted and verified by a consulting firm); in-depth interviews with staff members across the entire United Nations system (22) and members of the business sector (21); case studies; and review of the relevant academic literature on the subject.

6. In recent years, the Organization has taken steps to enhance the effectiveness of partnerships and uphold the integrity of the United Nations. Notably, through the recently revised "Guidelines on Cooperation between the United Nations and the Business Community", now called the "Guidelines on Cooperation between the United Nations and the Private Sector", a more coherent system-wide approach is emerging and a framework to facilitate relations with the private sector has been enumerated. Critical efforts have also been made to improve the exchange of lessons among agencies, funds and programmes, particularly through the development of a new United Nations and Business website.

7. Despite advances, several challenges — new and old — require increased attention and action. These include rigorous and systematic evaluation of partnership impacts, adaptation to new economic realities, alignment of global partnerships with country development agendas, and involvement of small and medium-sized enterprises and companies from low-income countries in partnerships. Further steps are needed to optimize both the engagement of the United Nations in private sector partnerships and the benefits they generate.

II. Understanding partnerships

8. Partnerships are voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task, and to share risks, responsibilities, resources and benefits. This definition encompasses an enormous variety of partnerships, including international coalitions, community-based initiatives, time-bound projects, broad value-based frameworks for action, individual company commitments and multi-stakeholder initiatives.

9. Partnerships address all Millennium Development Goals, with Goal 1 (eradicating extreme poverty and hunger), Goal 3 (promoting gender equality and empowering women) and Goal 7 (ensuring environmental sustainability) often receiving more attention. In addition to the Millennium Development Goals, many partnerships focus on humanitarian aid by addressing natural disasters or conflict-related emergencies.

10. The private sector engages in partnerships in different ways, including by enhancing the sustainability of their core business operations and value chains, providing social investments and philanthropic contributions, and participating in advocacy activities, policy dialogue and institutional framework development.

11. In core business partnerships, partners collaborate to create employment, foster entrepreneurship, contribute to economic growth, generate tax revenues, implement social, environmental or ethical standards, and provide appropriate and affordable goods and services.

Box 1

Examples of partnerships enhancing core business operations and value chains

E-Commerce and renewable energy (eCARE)

Many rural communities in Ghana lack access to communication services. The e-Commerce and Renewable Energy (eCARE) project seeks to overcome these obstacles by establishing rural business centres that provide access to telephone and Internet services powered by solar energy. The project is a joint effort of the United Nations Foundation, the United Nations Environment Programme (UNEP), a local non-governmental organization (NGO) and a Ghanaian telecommunications company. Local entrepreneurs own and operate the business centres and eCARE project partners support entrepreneurs with seed money, technical assistance and training.

International Fund for Agriculture and Development organic, fair trade cocoa production programme

The organic, fair trade cocoa production programme seeks to alleviate poverty by raising the incomes of smallholder farmers in Sao Tome and Principe. The International Fund for Agricultural Development (IFAD) and a private investor encourage farmers to produce organic cocoa to be sold under international fair trade labels. Farmers receive support from a French organic chocolate producer to transition from producing medium-quality unprocessed cocoa beans to high-quality dried cocoa. With production volumes increasing, and being paid a premium for their organic and fair trade products, some farmers have doubled their incomes.

MicroStart pilot project

To support private sector development in Asia, the United Nations Development Programme (UNDP) partnered with 14 international public and private organizations to create a microfinance system enabling long-term borrowing for low-income groups. In 1997, the MicroStart project was initiated in Mongolia with a budget of $2.1 million. Its approach combines loans with technical assistance, poverty prevention programmes and capacity-building. The resulting local microfinance institution quickly became financially independent and had high repayment rates. The microfinance institution has approximately 230,000 customers and has created 900 full-time and 300 part-time jobs.

Global Partners for Emergency Communications Initiative

In February 2008, a global telecommunications provider, the United Nations Foundation and the World Food Programme (WFP) established this initiative to increase the efficiency and coordination of emergency communications by standardizing information and communication technology (ICT) solutions in emergencies, as well as by expanding the pool of trained experts and standby partners ready for deployment and enabling the immediate dispatch of ICT responders. Over 60 ICT experts

participated in the first-ever ICT Emergency Preparedness and Response Management session and will pass on expertise to some 500 people. Training participants include representatives from the United Nations, NGOs and Governments.

12. In social investment and philanthropy partnerships, the private sector provides different types of support, including traditional philanthropy, social venture funds, hybrid or blended-value financing mechanisms, employee volunteers and expertise, product donations and other in kind contributions.

Box 2
Social investment and philanthropy partnerships

Plumpy'nut

Plumpy'nut is a ready-to-eat, peanut-based therapeutic food that has proven effective in alleviating child malnutrition in Ethiopia, with recovery rates for severely undernourished children as high as 95 per cent. To increase the availability and decrease the cost of Plumpy'nut, a private donor provided $1.3 million, in partnership with the United Nations Children's Fund (UNICEF) and a local factory, to establish a factory to increase production of Plumpy'nut and its supply to therapeutic feeding units throughout Ethiopia.

Educating the children of Darfur

A global auditing and consulting services organization donated more than $4 million to the Office of the United Nations High Commissioner for Refugees (UNHCR) to build and equip 32 schools in eastern Chad for more than 20,000 children who fled the conflict in Darfur. Teacher-training and youth activities are also crucial components of the project. Due to the success of the project, the company has set up an ongoing internal communications mechanism to explain its results and impact. Additional fund-raising for the project is planned and staff will be involved in its implementation by visiting the camps and helping to deliver education.

13. In advocacy and awareness-raising partnerships, the private sector partners with other stakeholders to advocate for issues; engage in public policy dialogue; support effective regulation; and strengthen public institutions and administrative capacity in order to bridge governance gaps, improve the enabling environment and support reforms at the local, national and global levels.

Box 3

Advocacy and awareness-raising partnerships

Strategic HIV/AIDS Responses in Enterprises programme

The International Labour Organization (ILO) entered into a partnership with the Government of China, international and Chinese media companies and NGOs to prevent the spread of HIV/AIDS at a Chinese mining company. High levels of drug abuse and prostitution, combined with extremely low levels of awareness among miners, led to high rates of HIV/AIDS in the company. A communication strategy was developed to inform miners about HIV/AIDS, and the company established a centre providing counselling and antiretroviral therapy. The company also ended mandatory testing and now guarantees employment rights for HIV-positive workers.

Refrigerants, Naturally!

Refrigerants, Naturally! is a not-for-profit initiative of six global companies committed to combating climate change and ozone layer depletion by substituting harmful fluorinated gases with natural refrigerants and reducing the energy consumption of new refrigerators. Partners support a positive regulatory and political framework for investment in climate-friendly technologies. The initiative is registered with the Commission on Sustainable Development and supported by a major NGO and UNEP.

Global Compendium of Good Practices

The United Nations Office on Drugs and Crime (UNODC) and a global auditing and consulting services organization have entered into a partnership for combating corporate corruption. They research global enterprises to collect good practices concerning whistleblower protection, integrity policies and compliance systems. The Global Compendium of Good Practices, published in September 2009, provides companies with a framework to establish or enhance internal anti-corruption policies and measures.

III. Impact of the global economic downturn on the partnership agenda

14. The global economic downturn has changed the context of partnerships between the private sector and the United Nations at both the system and entity levels. While it is too early to assess the overall impact of the crisis on the partnership agenda, there is evidence that, rather than undermining private sector partnerships, the current financial and economic crisis seems set to bolster such relations. Though a reduction in philanthropic giving may result, more innovative and sustainable partnerships are being undertaken. Moreover, the crisis has increased recognition of the need for sustainable business practices, which, in turn, will lead to broader private sector engagement in support of the values and goals of the United Nations.

15. Most agencies, funds and programmes see the current economic downturn as the biggest challenge for the development of cooperation with the private sector. While many entities believe a decrease in philanthropic giving is likely, most report that corporate partners are continuing to honour their commitments. A substantial number of partnerships with business have been initiated since 2007. Moreover, agencies, funds and programmes that previously focused on fund-raising partnerships are increasingly seeking to mobilize the core competencies of the private sector, influence corporate behaviour through advocacy and assist in improving the quality of corporate responsibility programmes.

16. The United Nations has long worked to embed its values in the marketplace through the responsible operations of companies. In the wake of the financial crisis, it is widely acknowledged that a globalized marketplace requires a strong ethical orientation and comprehensive management of risks. There is now a stronger case for the business sector to increase its focus on long-term value creation, proactively embrace an expanded view of risk management that includes environmental, social and governance factors, and emphasize the role of ethics in driving market confidence and trust. Therefore, the corporate commitment to advancing United Nations principles, as advanced by the United Nations Global Compact, remains strong.

17. Government leaders attending the Conference on the World Financial and Economic Crisis and Its Impact on Development, held in June 2009 affirmed the need to root business in universal values and principles, such as those set forth in the Global Compact.

18. Another factor driving business to embrace United Nations principles is the increasing recognition by the investment community of the importance of sustainable and ethical business practices. Mainstream financial investors, for example, are increasingly looking at environmental, social and governance performance as an important element for determining a company's long-term value. Several investment studies support this view, including one conducted by RiskMetrics Group in 2009, which found that publicly listed companies participating in the Global Compact that had produced "notable" annual disclosure reports on environmental, social and governance factors had outperformed a major stock market index over a two-year period, including during the economic downturn.

19. The rise in collaborative initiatives, such as the United Nations Principles for Responsible Investment, the Principles for Responsible Management Education, the Equator Principles and the Carbon Disclosure Project, indicate that the environmental, social and governance agenda is gaining prominence among influential groups, such as investors and academics.

Box 4
United Nations Principles for Responsible Investment

The United Nations Principles for Responsible Investment initiative has created awareness among asset owners and managers in the financial community about the goals of the United Nations in the environmental, social and governance realm. Launched by the UNEP Finance Initiative and the Global Compact in 2006, the initiative is a voluntary framework created to help investors integrate environmental, social and governance issues into investment decision-making and ownership practices. The United Nations Principles for Responsible Investment has brought an important new constituency to the United Nations, with more than 470 signatories from all regions of the world (representing $18 trillion in assets under management) engaged in the initiative.

Box 5
Principles for Responsible Management Education initiative

The Principles for Responsible Management Education initiative is the first organized relationship between business schools and the United Nations. Launched by the Global Compact in 2007, the initiative seeks to fully embed corporate responsibility principles in business school curricula and research in order to develop a new generation of business leaders capable of managing the business challenges of the twenty-first century. Over 200 business schools from 50 countries are signatories.

IV. Role of Governments

20. Working alongside the United Nations, Governments play an important role in promoting responsible business practices. Apart from providing the necessary legal frameworks and as a complement to regulation, Governments increasingly facilitate and encourage voluntary activities by the corporate sector. Such options include creating an enabling environment, raising awareness, promoting responsible business practices, building capacity, developing tools and providing funding for voluntary initiatives.

21. In 2008, for example, several Governments took measures to bring attention and scale to corporate responsibility, including in China, Denmark, Ghana, Norway and Sweden. Efforts in Denmark and Sweden involved annual reporting on responsible practices, while in China, Ghana and Norway, efforts were focused on raising awareness of responsibility principles among companies. In addition, numerous countries have supported major events of Global Compact country networks through the involvement of senior Government officials, for example in Australia, India, Mexico, Namibia, the Russian Federation and the United Arab Emirates.

22. Support for corporate responsibility as a complement to Government efforts has also been affirmed in inter-Governmental meetings. For example, the 2009 summit declaration of the Group of Eight welcomed and encouraged work to advance corporate responsibility in business practices.

V. Enhancing the ability to partner at the system level

23. The Global Compact is the world's largest corporate citizenship initiative, which brings the values of the United Nations to the global business community by encouraging adherence to 10 principles and actions in support of the objectives of the Organization, in particular the Millennium Development Goals. The Global Compact has over 6,600 signatories — 5,100 from business and 1,500 from civil society and other non-business sectors — based in over 135 countries. Local networks exist in over 80 countries, providing avenues for advancing the principles on the ground. Because of its extended network, understanding of business interests and public-private structure, the Global Compact Office plays a central role in facilitating and strengthening the United Nations partnership agenda at the system level.

24. Over the past two years, under its mandate from the General Assembly, the Global Compact Office has worked with numerous United Nations entities to strengthen relations with the private sector by sharing good practices and lessons learned and developing new resources and tools to improve partnerships. Initiatives include the United Nations Private Sector Forum, revision of the United Nations-business community guidelines, development of the new UN and Business website, and the annual United Nations system private sector focal points meeting.

25. The first United Nations Private Sector Forum was held in September 2008, bringing together approximately 100 chief executives, Heads of State and Government, and heads of United Nations agencies and civil society organizations to discuss the role of business in achieving the Millennium Development Goals. In the light of the event's success, the Secretary-General decided to hold the Forum on an annual basis. The next Forum will be held in September 2009 and focus on climate change.

26. A working group chaired by the Deputy Secretary-General was established in 2008 to update the Guidelines on Cooperation between the United Nations and the Business Community, a framework for collaboration that was originally issued in 2000. A revision was necessary to incorporate the many years of implementation experience. The revised guidelines, now called the Guidelines on Cooperation between the United Nations and the Private Sector, have been finalized and better reflect the shared experiences of the Organization. They aim to increase the scale, effectiveness and accountability of engagement.

27. The new UN and Business website, to be launched in late 2009, will bring greater transparency and enhanced coherence to the vast scope of partnership work undertaken by the United Nations. It addresses the difficulties companies face in identifying potential partnerships, as well as the nature of collaboration with agencies, funds and programmes. Created through the collaboration of more than 20 United Nations entities, the website offers an entry point for matching companies and United Nations entities in partnership by channelling corporate offers of support and listing the partnership needs of the Organization.

28. The United Nations system private sector focal points meeting, convened annually by the Global Compact Office since 2000, is a key mechanism for sharing experiences and lessons learned in partnerships. In October 2008, approximately 80 representatives of United Nations entities gathered for a two-day meeting to discuss the challenges arising throughout the partnership life cycle, from strategic planning to evaluation and renewal.

29. The United Nations Foundation is an important partnership player at the system level. Over the past 10 years, Foundation efforts have mobilized hundreds of millions of dollars for health, conservation, clean energy and human rights initiatives. During that time, the Foundation has established more than 300 programmatic partnerships and worked with more than 40 United Nations entities and 100 Governments. The United Nations Fund for International Partnerships, overseen by the United Nations Office for Partnerships, serves as the interface between the Foundation and the United Nations. With the mission to serve as a gateway and facilitator for partnerships, the Office has programmed more than 455 projects with 45 United Nations entities in over 120 countries.

30. With regard to the strategic and systematic engagement of the private sector at the country level, dozens of countries have begun switching to the "One UN" approach, as recommended by the High-level Panel on System-wide Coherence in the areas of development, humanitarian assistance and the environment. Through One UN, the country resident coordinator's office works to advocate and broker partnerships between Government, civil society and business to build consensus and realize country-specific goals as embodied in national development plans. As this approach evolves, opportunities for the strategic mobilization of private sector expertise, resources and capacities will increase.

VI. Partnership developments at the level of agencies, funds and programmes

31. In recent years, agencies, funds and programmes have expanded their partnership activities and adopted increasingly strategic approaches to partnering. Many are shifting emphasis from fund-raising partnerships to those that leverage core business competencies, improve the development effects of core business operations and foster private sector development. Entities are also slowly extending their partnership activities to companies located in low-income countries, as well as to small and medium-sized enterprises. At the same time, global partnerships continue to proliferate and entities increasingly recognize the challenge of aligning these partnerships with the broader development agendas of partner countries.

A. General partnership modalities

32. The survey conducted among agencies, funds and programmes in preparation for the present report shows that partnerships have become established as a small but permanent and steadily growing feature of the United Nations system. While some entities, such as UNICEF and the United Nations Industrial Development Organization (UNIDO), have entered into several hundred partnerships with business, most survey respondents engage in between 1 and 20. Most rate the overall success of their partnerships with business as above average, with an average score of "4" on a scale of "1" (not successful at all) to "5" (very successful). The primary motivation for partnering is resource mobilization. Other reasons include broadening support for a particular issue, taking advantage of private sector expertise and skills and encouraging more corporate social responsibility. Agencies, funds and programmes believe the most important reasons for business to partner with the United Nations are the reputation and brand value of

the Organization, as well as its technical expertise in the development field, close working relationship with Governments and NGOs, and convening power. Business statements confirm that these are key factors.

33. The survey also points to the fact that agencies, funds and programmes are adopting a more strategic approach to partnerships. Entities with partnership strategies in place or in development include UNICEF, UNDP, WFP, UNHCR, ILO, the United Nations Foundation, UNIDO, the United Nations Office for Partnerships, the United Nations Population Fund (UNFPA), the United Nations Development Fund for Women (UNIFEM), the United Nations Volunteers (UNV), the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO). Entities that have adopted a partnership strategy overwhelmingly report implementation improvements, including clearer procedures and principles governing outreach and the selection of partners.

B. Beyond fund-raising: towards leveraging core business competencies

34. Many United Nations entities have traditionally focused on fund-raising partnerships. Recently, some have shifted emphasis to other kinds of partnerships that leverage core business competencies, such as communication and management skills or technical expertise, improve the development effects of core business operations and foster private sector development. This move is intended to make partnerships more sustainable and scalable and capitalize on the complementary strengths of business.

35. UNICEF, for example, is increasingly engaging in normative and policy work with companies. In Brazil, UNICEF takes steps such as including corporate sector representatives in its governance structure, providing companies with tools and technical support to be more effective in achieving results for children and engaging management in advocating public policies for children. In Kenya, UNICEF is also trying to influence corporate behaviour, for example, by convincing companies to fortify basic foods with essential vitamins and minerals.

Box 6
UNICEF Brazil: from donors to partners

A partnership between UNICEF Brazil and a semi-public Brazilian energy company exemplifies the movement away from a traditional donor role to that of a full-fledged partner. The company, which had originally provided grants for small-scale projects, gradually began engaging in a long-term strategic partnership linked to country-wide public policies, placing children at the core of its business. To help improve the company's social action programme, UNICEF provides technical advice on criteria for the allocation of the company's corporate responsibility funds and trains staff on children's rights. This partnership is used as a model to negotiate other UNICEF partnerships in Latin America and elsewhere.

36. Another innovative partnership model is the UNHCR Council of Business Leaders.

Box 7
UNHCR Council of Business Leaders

Established in 2005, the UNHCR Council of Business Leaders is a group of five multinational corporations committed to strengthening the protection of, and providing assistance to, refugees around the world. Members of the Council support UNHCR by offering strategic advice, providing guidance on partnering with the corporate sector, and identifying opportunities and furthering relations with key groups to broaden the support base and funding of UNHCR. The Council also has jointly developed partnerships, such as the Community Technology Access programme, which provides rural communities, refugee camps and host communities with access to information and communication technology. Local councils have been established in Thailand and South Africa.

37. The key challenge facing agencies, funds and programmes in the move beyond fund-raising partnerships is the ability to adapt existing structures, processes and partnership modalities to new forms of engagement. For example, many staff members currently in charge of partnerships are trained in fund-raising the operational environment of which does not readily allow for risk and reward sharing.

C. Integrating companies from low-income countries and small and medium-sized enterprises

38. While most agencies, funds and programmes began partnership work with large, multinational companies based in industrialized countries, in recent years they have increasingly partnered with companies located in emerging economies, such as Brazil, China, India and South Africa, and subsidiaries of multinational companies. While the potential for such partnerships has not yet been realized, several agencies, funds and programmes do plan to intensify these relationships.

39. Another trend is the expansion of the partnership agenda from the global to the local level, by engaging local companies and small and medium-sized enterprises in the work of the United Nations. Agencies, funds and programmes, such as UNDP, ILO, FAO and UNIDO, have always worked with local companies as part of their mandate and are trying increasingly to engage them as both beneficiaries and partners. Efforts include encouraging companies to adhere to labour standards and engaging in joint advocacy campaigns. Regarding small and medium-sized enterprises, entities such as UNIDO can also assume a brokering and convening role to link large corporations and small suppliers.

Box 8

UNDP work with the private sector

In 2007, UNDP launched a new strategy for working with the private sector, emphasizing the potential impact of commercial activities on United Nations goals. The strategy is focused on five areas: providing support to Governments seeking to create a rule-based legal and regulatory climate for private enterprise and markets; helping poor producers access markets; researching "bottom-of-the-pyramid" investment and sustainable business models; promoting investment in human capital and fostering the entrepreneurial skills of the poor; and advocating for core business investments that provide sustainable benefits to the poor. UNDP has three major global private sector programmes: Growing Inclusive Markets, Growing Sustainable Business and Public-Private Partnerships for Service Delivery.

Box 9

Partnerships with local companies and small and medium-sized enterprises

HIV/AIDS education in Guyana

Besides offering haircuts, barber shops in Guyana are meeting points for learning about community news. Therefore, UNFPA and the Joint United Nations Programme on HIV/AIDS initiated partnerships with local barber shops to help disseminate information on HIV/AIDS. A local NGO and the United Nations Country Theme Group train local barber shop staff on HIV-related questions and provide information materials and condoms. Every month, the shops distribute, on average, 7,000 male condoms and 400 female condoms. Participating barber shops receive free marketing services and have witnessed an increase in clients.

Combating malaria with Artemisia annua

The Growing Sustainable Business Initiative of the UNDP partners with a local university, an NGO and a Madagascar-based company to develop an alternative treatment for malaria. WHO and UNICEF have recommended a plant that grows abundantly in Madagascar, *Artemisia annua*, as an effective treatment for malaria. Partners have supported local production of the plant, creating 73 permanent and 400 seasonal jobs. Production has exceeded Madagascar's needs and led to increased exports of the plant.

Uganda Green Computer Company

UNIDO, in partnership with a multinational computer technology firm, established the Uganda Green Computer Company, a local recycling and service enterprise that refurbishes used computers by installing new software and then sells them at affordable prices. Schools and local small and medium-sized enterprises have access to affordable computers, which in turn spurs the local ICT industry and supports other such enterprises in need of enhanced technology. There are plans to expand the model across the region.

40. The local networks of the Global Compact also play a role in facilitating locally owned and developed partnerships. These networks bring together companies and local partners to promote corporate responsibility practices and provide partnering opportunities. Because the 80-plus networks — evenly divided between developed and developing economies — are established and sustained by local interests, activities are based on priorities on the ground.

41. There are several hurdles to realizing the potential of partnerships between local companies and small and medium-sized enterprises. Firstly, such partnerships often follow different rules than those with multinationals and approaches must be adapted accordingly. For example, small and medium-sized enterprises are often more interested in skills and technology transfer than in reputation gains. They are also typically more dependent on short-term benefits and need to see more immediate results when entering into a partnership. Secondly, local companies can be more difficult to reach. To facilitate this process, entities such as FAO are working with business associations and chambers of commerce. The local networks of the Global Compact also provide an access point. Thirdly, local companies may operate in legal environments and under tax rules that are not conducive to corporate responsibility. Tackling these challenges will help to strengthen partnerships with local companies and small and medium-sized enterprises, which would have an overall positive effect on development since local partnerships can better respond to needs and be more sustainable.

D. Global partnerships and alignment

42. Agencies, funds and programmes are engaging in a growing number of global multi-stakeholder initiatives. For example, the World Bank participates in approximately 125 global and 50 regional programmes. UNICEF participates in over 70 initiatives. In 2007, UNDP engaged in more than 40, WHO and FAO in about 35 each, and IFAD, UNEP and the United Nations Educational, Scientific and Cultural Organization in about 30 each.

Box 10
Examples of global health partnerships

Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund)

The Global Fund, which became operational in 2002, is a partnership between Governments, civil society, the private sector and affected communities. It has become the main source of financing for HIV/AIDS, tuberculosis and malaria programmes, providing one quarter of all international financing for HIV/AIDS, two thirds for tuberculosis and three quarters for malaria. By December 2008, the Global Fund had signed agreements worth $10.2 billion for 579 grants in 137 countries. Fund programmes have expanded key services delivery, with 2 million people receiving HIV anti-retroviral treatment, 4.6 million provided effective tuberculosis treatment and 70 million insecticide-treated bed nets distributed. As a result, approximately 3.5 million lives have been saved, according to Fund estimates.

Global Alliance for Vaccines and Immunization

Launched in 2000, the Global Alliance for Vaccines and Immunization (GAVI) aims to accelerate access to underused vaccines, strengthen health and immunization systems in developing countries, and introduce new immunization technology. Partners include Governments in industrialized and developing countries, UNICEF, WHO, the World Bank, the Bill and Melinda Gates Foundation, NGOs, vaccine manufacturers and public health and research institutes. By the end of 2008, the Alliance had introduced new development financing mechanisms and committed over $4 billion to ensure vaccines reached a cumulative 213 million additional children in developing countries, thereby preventing 3.4 million premature deaths.

Global Alliance for Improved Nutrition

Launched in 2002 as a Swiss foundation, the Global Alliance for Improved Nutrition works with an alliance of Governments, international organizations, the private sector and civil society to reduce malnutrition. In addition to providing funding, the Alliance advises on collaborative efforts to develop and distribute high quality and affordable fortified food products and complementary foods for low-income populations.

43. Global partnerships have made important advances in addressing development challenges, such as food fortification or vaccine coverage. Some have managed to mobilize substantial additional resources. Global health programmes, in particular, have a strong record of independent evaluations. However, there are challenges to ensuring coherence and consistency in this growing field, which are necessary to avoid duplication among aid initiatives and straining the capacities of developing countries.

44. There is increasing awareness of the alignment challenge in global partnerships, and efforts are being made to address it. GAVI, the Global Fund and the World Bank are discussing the potential solution of earmarking funds for joint programmes to strengthen health systems. In another example, the Organization for Economic Cooperation and Development has developed good practice guidance on the integration and alignment of global programmes at the country level. Further measures are needed to prevent the fragmentation of the international aid system and ensure the effectiveness and efficiency of assistance programmes.

VII. Actions to overcome operational challenges

45. In its resolution 62/211, the General Assembly encouraged agencies, funds and programmes, as well as the United Nations Secretariat, to address operational challenges that hamper the capacity of the Organization to collaborate effectively. Significant steps have been taken to this end such as strengthening the enabling environment for partnerships, boosting staff capacity, adopting more appropriate partner selection mechanisms, enhancing communication of lessons learned and improving evaluation. Having laid this groundwork and with 10 years of experience, the United Nations is now well positioned to bring engagement with the private sector to the next level and thereby significantly enhance the contribution of business to development and the advancement of United Nations values.

A. Strengthening the enabling environment for United Nations-business partnerships

46. Partnerships enjoy the support of the Secretary-General and of most heads of agencies, funds and programmes. Efforts have begun to adapt guidelines and processes that govern the work of the Organization to a changing environment in which private sector partnerships are important for helping to advance the goals of the United Nations. Through the revised United Nations-business community guidelines, an important step has been taken to move from a focus on the legal and liability aspects of partnerships — for example, rules regarding the acceptance of pro bono services — to more proactive management of risks and opportunities.

47. Further efforts are needed to minimize bureaucratic obstacles, which continue to be cited as a hurdle to building effective partnerships; however, good practices are emerging. By developing standard partnership agreements and working with legal offices to increase understanding of the importance of partnerships and accelerating agreements, entities such as WFP, UNICEF, UNIDO and UNESCO are leading the way in streamlining processes. The Private Partnerships Division of the WFP, for example, involves the legal department early on to ensure the timely processing of agreements.

B. Capacity-building at all levels and training of United Nations staff

48. Previous reports and resolutions have acknowledged that partnerships are resource-intensive and require specialized skills. Agencies, funds and programmes with country or regional offices have taken measures to increase their local institutional capacity. Almost all entities have assigned a private sector focal point

to serve as the entry point for business partners, act as a link with United Nations management, and advocate on behalf of partnerships within their organizations. Over the past two years, almost a dozen entities have hired new staff members to work on partnership development, and others have indicated that they have adopted partnership policies and procedures and created or increased dedicated budget lines for partnership activities. Country and regional offices are being increasingly empowered to engage in partnerships.

49. Despite these advances, further efforts are needed to ensure adequate skills and capacities for partnership development. Many agencies, funds and programmes continue to view the lack of partnership skills among staff as a key hurdle and have highlighted the lack of training. There are other challenges as well: most entities do not offer incentives or do not have a mandate to identify and develop new partnership opportunities, nor do they evaluate partnership skills in the recruitment process; legal offices often have insufficient staff working on partnerships; partnership units are often not integrated into core programme teams, making it difficult to increase staff understanding of partnership benefits; and lack of staff exchange between business and the United Nations, which could improve mutual understanding.

C. Partner selection and engagement processes

50. Agencies, funds and programmes increasingly recognize the need to protect the reputation of the Organization when engaging with the private sector. The response to this need will affect how the United Nations selects business partners, as well as how the business community views its experience of engaging with the Organization.

51. There are currently no standardized criteria in place for screening and selecting potential partners across the Organization. Most entities, however, have formulated selection schemes tailored to their needs, building on the United Nations-business guidelines launched in 2000, and some are pursuing more proactive approaches and have increased their outreach activities to identify potential partners. There is a growing trend away from a purely negative screening to a balanced screening that also includes positive criteria. Many entities continue to use the services of external agencies, such as World-Check.

52. The United Nations would benefit from more coherent selection criteria, as well as improved sharing of related information among entities. The revised United Nations-business community guidelines, now the United Nations-private sector guidelines, are a step forward in this regard; for example, they have established the principles of the Global Compact as a common minimum standard for companies seeking to partner with the Organization. The new UN and Business website promises to bring greater transparency and clarity to the vast scope of partnership work undertaken at the United Nations, and will help to match company donations and partnership ideas with the partnership needs of the Organization based on the preferences indicated by United Nations agencies, funds and programmes.

53. The One UN approach (see para. 30 above) being adopted in dozens of countries is helping to increase partnership coherence on the ground.

Box 11
"One UN" in the Ukraine

The "One UN" approach was used in the Ukraine to create a framework for fostering partnerships with the private sector. The United Nations Development Assistance Framework selected the Global Compact as the entry point for business. The joint framework was developed in consultation with United Nations country team members and includes activities and targets for a three-year period, as well as reporting mechanisms. The approach achieved more effective partnerships with the private sector through the cost-effective pooling of resources, avoiding the overlap of responsibilities and decreasing confusion for businesses dealing with the United Nations.

D. Sharing best practices and lessons learned

54. There have been major advances in sharing good practices and lessons learned within entities and across the United Nations system. The Global Compact Office has driven several initiatives, including the quarterly UN-Business Focal Point e-newsletter, annual meetings of United Nations system private sector focal points and numerous publications on partnerships. Moreover, the Global Compact website provides extensive materials, such as corporate responsibility reports by business participants, case studies and meeting reports.

55. The Secretariat of the Commission on Sustainable Development also facilitates knowledge-sharing through its interactive online database, which provides detailed and searchable information on some 100 sustainable development partnerships. The Secretariat organizes partnership fairs at the official sessions of the Commission to facilitate the exchange of experiences, present case studies and showcase progress.

56. Agencies, funds and programmes have also scaled up efforts to share information on private-sector experiences. For example, UNDP has established a global community of practice for country offices, UNESCO has set up an online help desk providing information on working with the private sector, UNICEF has surveyed regional and country offices to compile information on experiences and UNHCR organizes specialized training events for staff in its regional offices.

E. Evaluation and impact assessment

57. In its resolution 62/211, the General Assembly places special emphasis on the need to develop impact assessment mechanisms for partnerships, recognizing that strong monitoring and evaluation processes can enhance accountability, support effective management, enable learning and better show contributions to development.

58. The majority of agencies, funds and programmes responding to the survey conducted in preparation for the present report state that at least half of their partnerships are evaluated. While many evaluations are carried out internally, some entities contract external service providers for this purpose. A growing number of

entities include a specific provision or budget item for evaluations in their partnership agreements.

59. Despite the growing number of evaluations, the United Nations is still not in a position to accurately assess the impact and value added of its private sector partnerships. Agencies, funds and programmes state that conducting more systematic evaluations and impact assessments is too time-consuming and expensive, and that appropriate tools are lacking. Although systematic and rigorous impact assessment of partnerships may be unrealistic in the near future, the United Nations should place greater emphasis on evidence-based decision-making, learning from evaluations and planning for results.

VIII. Recommendations

60. Significant progress has been made across the United Nations in advancing private sector partnerships, in particular to continue to develop a common and systematic approach that places greater emphasis on impact, transparency, accountability and sustainability. It is vital to continue efforts to strengthen the capacity of the Organization to engage in partnerships and enhance their effectiveness, as this resource can play an important role in helping to achieve the Millennium Development Goals. The following concrete steps are recommended:

A. Develop a more strategic approach for working with the private sector

61. While many agencies, funds and programmes have become more sophisticated in their partnerships, entities still need to align their institutional comparative advantages with the approach for engaging business to ensure that core competencies and strengths are leveraged. All entities should develop a strategy for defining their partnership needs, and then periodically review and build on the strategy.

B. Build capacities to shift from fund-raising to core business partnerships

62. Partnerships that move beyond fund-raising and are linked to core business operations and fostering private sector development are likely to become more relevant in the future, and can lead to more sustainable and scalable partnerships that capitalize on the complementary strengths of business. More United Nations entities should be encouraged to engage in such partnerships. This shift calls for agencies, funds and programmes to adapt structures, processes and modalities to new forms of engagement, and better allow for risk and reward sharing.

C. Enhance integration of small and medium-sized enterprises and companies in low-income countries

63. Agencies, funds and programmes should boost efforts to harness the potential of small and medium-sized enterprises and local companies in low-income countries

as part of efforts to develop partnerships. To this end, entities should better ensure that relevant needs are reflected in partnerships, including skill and technology transfers, and identify short-term benefits. To facilitate identification and access to these companies, agencies, funds and programmes could map corporate engagement opportunities by country through their regional and country offices, and Global Compact local networks should serve as an additional access point.

D. Ensure alignment between global partnerships and country development agendas

64. Global partnerships need to more actively address integration and alignment with the broader development agendas of partner countries. Agencies, funds and programmes should work closely with Governments to more vigorously promote these issues.

E. Build enabling framework for United Nations-business partnerships

65. To implement the revised United Nations-business community guidelines, now the United Nations-private sector guidelines, and further streamline administrative procedures, the United Nations should simplify relevant legal processes. Rules governing the acceptance of pro bono goods and services should be further reviewed. In addition, the criteria for differentiating between procurement relationships and partnerships should be fully clarified. Moreover, consideration should be given to creating a special United Nations logo for United Nations-private sector partnerships, subject to appropriate conditions.

66. Offices responsible for partnerships in the agencies, funds and programmes should work more closely with legal departments. A standard template for partnership agreements, currently being finalized by the Office of Legal Affairs, should be shared broadly across the Organization. Additionally, entities should consider designating private sector focal points within legal departments.

F. Enhance capacity-building and training of United Nations staff

67. To build the necessary skills and capacity to engage effectively in partnerships, entities should better integrate private sector focal points and partnership units into their core organizational processes to mainstream partnership approaches and increase understanding of the value of partnerships. To strengthen cross-sector skills, agencies, funds and programmes, subject to their applicable rules and regulations, should employ more people with business backgrounds and develop staff exchange programmes with the private sector.

68. More internal and external training opportunities are needed, as is focus on developing training modules on legal issues and other recurring problems. United Nations private sector focal point meetings should be complemented by specific, structured training sessions once a year and legal offices of agencies, funds and programmes should discuss partnership issues on a regular basis to exchange good practices.

69. Agencies, funds and programmes should also foster staff motivation by assessing partnership-building skills and including partnership building in job descriptions and performance evaluation reports.

G. Develop a coherent approach to partner selection and engagement

70. To better manage the reputational risks associated with partnerships, the United Nations should adopt a more coherent approach to selecting partners. Agencies, funds and programmes should use a common screening mechanism and database, which can be adapted to different mandates, partnership strategies and selection criteria. Until a common system-wide screening mechanism is established, relevant resources, tools and results should be shared across the Organization.

71. Widespread implementation of the revised United Nations-business community guidelines, now the United Nations-private sector guidelines, and effective utilization of the new UN and Business website are strongly recommended in order to strengthen the coherence, transparency and effectiveness of private sector engagement — from the perspectives of both the Organization and the private sector. Increased uptake of the One UN approach should be considered to help bring greater coherence to partnerships at the country level.

H. Further enhance mechanisms to share best practices and lessons learned

72. To further improve knowledge management across the Organization, platforms such as the UN-Business Focal Point e-newsletter and the new UN and Business website need to be actively contributed to and utilized by private sector focal points.

73. An international philanthropy day could be proclaimed to promote the sharing of information and experiences in support of the United Nations development agenda and to initiate new partnerships towards this end. The Department of Economic and Social Affairs would convene events around the day that would focus on raising awareness about the role of philanthropy and further engaging foundations in helping to meet the Millennium Development Goals.

I. Improve evaluation and impact assessment

74. Until the United Nations is able to systematically measure the impact and value of private sector partnerships, agencies, funds and programmes should adopt approaches to strengthen emphasis on evidence-based decision-making, learning from evaluations and results-focused planning. Monitoring and evaluation mechanisms should be built into partnerships from their inception, including in agreements and budgets. As suggested in the revised United Nations-business community guidelines, now the United Nations-private sector guidelines, entities should agree on a common set of principles and key performance indicators for impact assessment.

IX. Conclusion

75. The United Nations has increasingly engaged the private sector as a partner in helping to achieve the goals of the Organization, particularly the Millennium Development Goals. This private sector collaboration began one decade ago as a sporadic and experimental practice. Over the years, private sector partnerships have developed to become a common and increasingly sophisticated mechanism across the entire United Nations system for addressing priority challenges.

76. Steady efforts have been made, across the system and in agencies, funds and programmes, to build a robust approach for engaging in effective, sustainable and transparent partnerships. The revised United Nations-business community guidelines, now the United Nations-private sector guidelines, and the new UN and Business website, both completed in 2009, are key milestones.

77. Private sector engagement remains strong in the midst of the global economic downturn, although the overall impact on the partnership agenda is not yet known. There is evidence that a stronger recognition of the importance of embedding United Nations values in business and markets has emerged from this crisis, thus ensuring broad private sector engagement in support of the goals of the Organization.

78. With important groundwork laid and years of experience, the United Nations is well positioned to bring engagement with the private sector to the next level, thereby significantly enhancing the contribution of business to development and to the advancement of United Nations values. To this end, efforts at both the institutional and operational levels are needed, including in key areas of developing a more strategic partnership approach; building capacities for core business partnerships; enhancing integration of small and medium-sized enterprises and companies from low-income countries; ensuring alignment between global partnerships and country development agendas; building an enabling framework for United Nations-business partnerships; enhancing capacity-building and training of staff; developing a coherent approach to partner selection and engagement; enhancing mechanisms to share best practices and lessons learned; and improving evaluation and impact assessment.

79. Widespread implementation of the revised United Nations-business community guidelines, now the United Nations-private sector guidelines, and effective utilization of the new UN and Business website will significantly help to strengthen the coherence, transparency and effectiveness of private sector engagement. Additionally, increased uptake of the One UN approach at the country level will provide opportunities to coherently and strategically mobilize business expertise, resources and capacities.

80. Caretaking of the United Nations-business relationship is required to ensure that appropriate support and focus are provided to implement the recommendations in the present report, as well as to begin a new process to continuously assess and improve the value proposition of partnerships and ensure maximum alignment with the priority goals set by Member States. At the system level, the Global Compact Office and relevant entities should work towards this end. This will also require the development of the capacities of individual entities to better evaluate partnership impacts and adapt to changing contexts.

81. Government guidance and financial support remains critical. Most efforts to engage the private sector are supported by Governments, which also serves to ensure the public nature of United Nations partnerships. Continued and increased engagement by Governments would enable the Organization to better define its strategic goals with the private sector.